

## ABSTRACT OF THE DISCLOSURE

A magnetoresistive transducer includes a magnetoresistive (MR) film interposed between domain control layers along the surface of a lower non-magnetic gap layer. Lead layers are formed on the domain control layers. An upper non-magnetic gap layer and an upper shield layer are sequentially formed to extend over the MR film and the lead layers. The upper shield layer is opposed to the surfaces of the MR element and the lead layers at a flat boundary or interface. The residual magnetization is supposed to exist in the upper shield layer in the direction of the magnetization established in the domain control layers after the upper shield layer has been subjected to the applied magnetic field for the magnetization of the domain control layers. The residual magnetization can be kept continuous along the flat interface of the upper shield layer. Any magnetic poles are hardly generated along the interface of the upper shield layer. The longitudinal bias field can be prevented from receiving the interaction of the residual magnetization in the upper shield layer. Reduction in the longitudinal bias field can thus be suppressed.